

Minutes of the Meeting of November 17, 2017

of the

MASSACHUSETTS TEACHERS' RETIREMENT BOARD

I. Regular Matters of Business

In attendance at this regular meeting of the Massachusetts Teachers' Retirement Board ("the Board") were Chairman Jeff Wulfson, Vice Chair Nicola Favorito, Jacqueline A. Gorrie, Richard L. Liston, Dennis J. Naughton, Joannah M. Quinn, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, Assistant Executive Director Jon Osimo, General Counsel James Salvie, Associate General Counsel/Disability Case Manager Salvatore Coco, and Executive Assistant Helen Petruzzello.

The meeting was called to order at 9:00 a.m.

The minutes of the previous Board meeting, held on October 27, 2017, were reviewed and approved as submitted on a motion made by Mr. Liston and seconded by Ms. Wass. The motion carried 7-0.

VOTED: The Open and Executive minutes of the Board meeting held on October 27, 2017, are hereby approved as submitted.

II. Executive Session

A motion was made by Mr. Naughton, and seconded by Mr. Liston, to enter into executive session in order to review applications for disability retirement and suspension of disability benefit due to Section 91A Failure to File. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Joannah M. Quinn	Yes
Anne Wass	Yes

At approximately 9:01 a.m. the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

At approximately 9:28 a.m. the Board reconvened in Open Session.

III. Open Session

A. TERMINATION RETIREMENT APPLICATION

Mr. Osimo presented the termination retirement application of Jonathan Cavallo. The Board reviewed the materials and after a brief discussion, determined that Mr. Cavallo was terminated involuntarily, was not offered a similar position and there was no moral turpitude surrounding his termination. On a motion to approve the termination application made by Mr. Naughton, and seconded by Ms. Gorrie, the Board voted 7-0.

B. PROPOSED REGULATION 807 CMR 25.00, *INTEREST RATES FOR INCORRECT ASSESSMENT INVOICES AND PAYMENT AFTER DEFAULT*

Mr. Salvie presented proposed regulation 807 CMR 25.00, *Interest Rates for Incorrect Assessment Invoices and Payment After Default* and provided a "fact sheet" to assist the Board members in their review. The Board asked questions about the length of time proposed for payment without interest, as well as about the actuarial interest rate. The Board stated their preference to obtain feedback, not only through the public comment process, but also from the Public Employee Retirement Administration Commission ("PERAC") before finalizing the regulation. After a long discussion, on a motion made by Mr. Liston and seconded by Mr. Favorito, the Board voted unanimously to put the proposed regulation out for public comment pursuant to G.L. c. 30A, § 3.

C. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster asked Board members to review the proposed 2018 board meeting schedule and share any conflicts, noting that the final schedule will be approved at the December board meeting.

2. Ms. Glaster distributed an article about a recent security breach affecting members of the Iowa Public Employee Retirement System and informed the board members of the methods the hackers used to penetrate the Iowa member self-service system. She further explained the limited functionality and safety measures that the MyTRS member self-service application has in place in order to guard against these types of cyber threats.
3. Ms. Glaster distributed a document summarizing the MTRS position on the pending legislation filed by the Special Commission on Forfeiture, S. 2074, *An Act Relative to Pension Forfeiture*. After asking questions and a discussion, Mr. Liston made a motion to support the forfeiture commission's legislation, which was seconded by Ms. Gorrie. The Board voted 7-0 to authorize Ms. Glaster to submit additional written testimony on the Board's behalf to support the legislation.
4. Ms. Glaster updated the Board that the agency is planning to post the RFR for Fiduciary Counsel by the end of the calendar year, noting that this item was approved in the current FY18 budget.
5. Ms. Glaster informed the Board that she and Mr. Neilon have continued to work collaboratively with the legislative staff of the MTA, AFT-MA and the Boston Retirement Board to advance S. 2209, the proposed legislation to correct the RetirementPlus transfer-in issue. Ms. Glaster stated that the bill is expected to be scheduled for a hearing before the Joint Committee on Public Service the week after Thanksgiving. She also indicated that, depending on the date the bill is passed, contingency plans are being made to adjust the dates of the proposed corrective election provision in the bill in order to ensure ample time to properly and thoroughly educate members about the election.
6. In providing the status of the Exclusive Benefit Rule ("EBR") closing agreement application, Ms. Glaster explained that the comptroller reached out to the EBR working group due to KPMG's inquiry in their preparation of the Commonwealth Comprehensive Annual Financial Report ("CAFR"). Bob Ross, the General Counsel for ANF, responded that he expected to finalize the application and submit it to the IRS by the end of the calendar year.
7. Ms. Glaster noted that she and Mr. Naughton attended the PRIM Investor's Conference held at Holy Cross on November 9th. She also announced the news from the PRIM Board meeting held on November

14th that the PRIT fund had just reached a milestone high of \$70 billion due to recent market gains.

8. Ms. Glaster announced her plans for staff scheduling during the holiday season, declaring a skeleton force day for the day following Thanksgiving but ensured that the offices will have sufficient coverage.

On a motion made by Mr. Liston and seconded by Mr. Naughton, the Board voted unanimously to adjourn the meeting at approximately 10:42 a.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of November 17, 2017

- Agenda for November 17, 2017 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of October 27, 2017 MTRS Board meeting
- Memorandum and supporting documents pertaining to Termination Retirement Application
- Memorandum and supporting documents pertaining to Proposed Regulation 807 CMR 25.00, *Interest Rates For Incorrect Assessment Invoices And Payment After Default*